



THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

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FOR IMMEDIATE RELEASE

SPI SUPPORTS PASSAGE OF CAFTA-DR

WASHINGTON, D.C. (June 20, 2005) – The Society of the Plastics Industry, Inc. (SPI) today pledged its support for the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR), the deal signed with five Central American countries (Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua) and the Dominican Republic.

“SPI’s international trade policy supports trade agreements that open markets and reduce trade barriers to plastics industry products worldwide,” said SPI President Bill Carteaux. “We are confident that CAFTA-DR achieves this goal.”

“For several years now, plastics imports from the CAFTA-DR countries have benefited from duty-free access to the U.S. market, while U.S. plastic exports to these markets have been subject to tariffs, some as high as 20 percent,” said Carteaux. “CAFTA-DR levels the playing field by eliminating tariffs on U.S. plastics resins/polymers, molds and machinery. Tariffs on plastic products will be substantially reduced and phased-out over a 5-10 year period,” he said.

In 2004, U.S. plastics industry exports to the region totaled \$894 million, while imports from the six countries amounted to only \$119 million.

“Despite having duty-free access for many years, import quantities from the CAFTA-DR countries are relatively small,” said Karen Toliver, SPI’s Senior Director of International Trade. “We are not likely to see a rapid flood of plastics imports into the U.S. as a result of the agreement. However, with the elimination and reduction of tariffs on plastics industry exports, there’s a real opportunity to grow our exports into the region. SPI will help our members leverage the benefits of greater access to these markets,” she said.

The United States signed the agreement on May 28, 2004, with the five Central American countries. The Dominican Republic joined the agreement on August 5, 2004. Under U.S. law, Congress must approve the agreement before it can take effect. Recently, both the Senate Finance and House Ways and Means Committees informally voted in favor of the deal. Full floor votes in both houses are expected in the coming weeks.

“SPI joins the voices of the many U.S. industries and businesses advocating passage of CAFTA-DR,” said Carteaux. “We, too, urge our lawmakers to pass this agreement. Our products will be more competitive in these markets than ever before.”

Founded in 1937, The Society of the Plastics Industry, Inc., is the trade association representing one of the largest manufacturing industries in the United States. SPI’s members represent the entire plastics industry supply chain, including processors, machinery and equipment manufacturers and raw material suppliers. The U.S. plastics industry employs 1.4 million workers and has domestic shipments worth \$310 billion annually.